

BALL JANIK LLP

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RECORDATION NO. 23818-A FILED

JAN 14 '02

11-45 AM

SURFACE TRANSPORTATION BOARD

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

lgitomer@bjllp.com

January 14, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a secondary document, dated as of December 26, 2001. The primary document to which this is connected is recorded under a new Recordation No. We request that one copy of this document be recorded under the "A" suffix.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

LaSalle National Leasing Corporation
One West Pennsylvania Avenue, Suite 1000
Towson, MD 21204

Lessees:

Elgin, Joliet and Eastern Railway Company
Union Railroad Company
The Lake Terminal Railroad Company
Birmingham Southern Railroad Company
McKeesport Connecting Railroad Company
1141 Maple Road
Joliet, IL 60432

A description of the equipment covered by the Memorandum of Lease Agreement consists of 104 flat cars numbered APEX 800, 801, 803-805, inclusive, 807-828, inclusive, 830-843, inclusive, 845-857, inclusive, 860-863, inclusive, 865-876, inclusive, 878, 879, 881-885, inclusive, 887, 888, 891, 893-896, inclusive, 898-902, inclusive, 904-911, inclusive, 913-919,

BALL JANIK LLP

Honorable Vernon A. Williams
January 14, 2002
Page 2

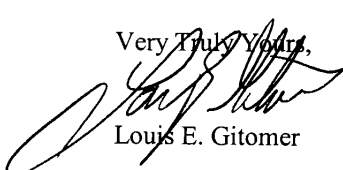
inclusive, and nine locomotives numbered BS 218, 226, 603, and 704, and URR 3, 12, 50, 51, and 52.

A fee of \$ 28.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between LaSalle National Leasing Corporation, One West Pennsylvania Avenue, Suite 1000, Towson, MD 21204, and Elgin, Joliet and Eastern Railway Company, Union Railroad Company, The Lake Terminal Railroad Company, Birmingham Southern Railroad Company, McKeesport Connecting Railroad Company, 1141 Maple Road, Joliet, IL 60432, covering 104 flat cars numbered APEX 800, 801, 803-805, inclusive, 807-828, inclusive, 830-843, inclusive, 845-857, inclusive, 860-863, inclusive, 865-876, inclusive, 878, 879, 881-885, inclusive, 887, 888, 891, 893-896, inclusive, 898-902, inclusive, 904-911, inclusive, 913-919, inclusive, and nine locomotives numbered BS 218, 226, 603, and 704, and URR 3, 12, 50, 51, and 52.

Very Truly Yours,


Louis E. Gitomer

Enclosures

RECORDATION NO. 73818-A FILED

JAN 14 '02

11-45 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of December 26, 2001

between

ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION
RAILROAD COMPANY, THE LAKE TERMINAL RAILROAD COMPANY,
BIRMINGHAM SOUTHERN RAILROAD COMPANY AND MCKEESPORT
CONNECTING RAILROAD COMPANY
as Lessee,

and

LASALLE NATIONAL LEASING CORPORATION
as Lessor

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301
on _____, 2001 at __:__.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 26, 2001 by and between LASALLE NATIONAL LEASING CORPORATION ("Lessor"), and ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION RAILROAD COMPANY, BIRMINGHAM SOUTHERN RAILROAD COMPANY AND MCKEESPORT CONNECTING RAILROAD COMPANY ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described on Exhibit No. 1 attached hereto.

All of such railcars are more fully described in that certain Railcar and Locomotive Lease Agreement dated December 21, 2001 and Schedule No. 7, thereto, and incorporating the terms thereof, dated as of December 26, 2001 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

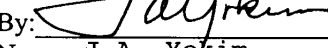
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

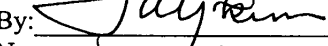
LASALLE NATIONAL LEASING
CORPORATION

By: 
Name: TERRI J. PRESTON
Title: VICE PRESIDENT

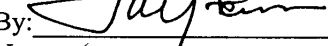
ELGIN, JOLIET AND EASTERN RAILWAY
COMPANY

By: 
Name: J.A. Yokim
Title: VP-Finance and Treasurer

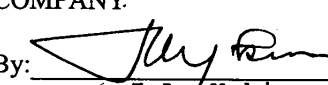
UNION RAILROAD COMPANY

By: 
Name: J.A. Yokim
Title: VP-Finance and Treasurer


THE LAKE TERMINAL RAILROAD COMPANY

By: 
Name: J.A. Yokim
Title: VP-Finance and Treasurer

BIRMINGHAM SOUTHERN RAILROAD
COMPANY.

By: 
Name: J.A. Yokim
Title: VP-Finance and Treasurer

MCKEESPORT CONNECTING RAILROAD
COMPANY

By: 
Name: J.A. Yokim
Title: VP-Finance and Treasurer

STATE OF MARYLAND)
) ss.
COUNTY OF BALTIMORE)

On this 8th day of January, 2001 before me appeared Terr. J. Proton, the person who signed this instrument, who acknowledged that he/she is the Vice President of LASALLE NATIONAL LEASING CORPORATION and that, being duly authorized, he/she signed such instrument as a free act on behalf of said corporation.

DANA L. WELKER
[Seal] NOTARY PUBLIC
MONROE COUNTY

Dana L. Welker
Notary Public

My commission expires:

November 12, 2003

STATE OF Pennsylvania)
) ss.
COUNTY OF Allegheny)

On this 21st day of December, 2001 before me appeared J.A. Yokim the person who signed this instrument, who acknowledged that (s)he is the VP-Finance and, Treasurer of ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION RAILROAD COMPANY, THE LAKE TERMINAL RAILROAD COMPANY, BIRMINGHAM SOUTHERN RAILROAD COMPANY AND MCKEESPORT CONNECTING RAILROAD COMPANY and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Patricia L. Kirk
Notary Public

My commission expires:

July 13, 2004

Notarial Seal
Patricia L. Kirk, Notary Public
Monroeville Boro, Allegheny County
My Commission Expires July 13, 2004

LASALLE NATIONAL LEASING CORPORATION
SCHEDULE OF EQUIPMENT

LESSEE: ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION RAILROAD COMPANY,
THE LAKE TERMINAL RAILROAD COMPANY, BIRMINGHAM SOUTHERN RAILROAD COMPANY
AND MCKEESPORT CONNECTING RAILROAD COMPANY

EQUIPMENT SCHEDULE NO. 7
EXHIBIT NO. 1

Term in Months	No. of Units	Year Built	Car / Road Number	General Description	Current FMV Per Unit
60	1	1960	APEX 800	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 801	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 803	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 804	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 805	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 807	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 808	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 809	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 810	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 811	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 812	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 813	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 814	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 815	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 816	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 817	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 818	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 819	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 820	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 821	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 822	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 823	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 824	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 825	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 826	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 827	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 828	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 830	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 831	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 832	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 833	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 834	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 835	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 836	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 837	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 838	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 839	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 840	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 841	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 842	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 843	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 845	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 846	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 847	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 848	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 849	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 850	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 851	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 852	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 853	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 854	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	

LASALLE NATIONAL LEASING CORPORATION
SCHEDULE OF EQUIPMENT

LESSEE: ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION RAILROAD COMPANY,
THE LAKE TERMINAL RAILROAD COMPANY, BIRMINGHAM SOUTHERN RAILROAD COMPANY
AND MCKEESPORT CONNECTING RAILROAD COMPANY

EQUIPMENT SCHEDULE NO. 7
EXHIBIT NO. 1

Term in Months	No. of Units	Year Built	Car / Road Number	General Description	Current FMV Per Unit
60	1	1960	APEX 855	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 856	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 857	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 860	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 861	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 862	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 863	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 865	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 866	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 867	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 868	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 869	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 870	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 871	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 872	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 873	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 874	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 875	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 876	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 878	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 879	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 881	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 882	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 883	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 884	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 885	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 887	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 888	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 891	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 893	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 894	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 895	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 896	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 898	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 899	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 900	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 901	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 902	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 904	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 905	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 906	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 907	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 908	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 909	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 910	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 911	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 913	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 914	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 915	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 916	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 917	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	

LASALLE NATIONAL LEASING CORPORATION
SCHEDULE OF EQUIPMENT

LESSEE: ELGIN, JOLIET AND EASTERN RAILWAY COMPANY, UNION RAILROAD COMPANY,
THE LAKE TERMINAL RAILROAD COMPANY, BIRMINGHAM SOUTHERN RAILROAD COMPANY
AND MCKEESPORT CONNECTING RAILROAD COMPANY

EQUIPMENT SCHEDULE NO. 7
EXHIBIT NO. 1

Term in Months	No. of Units	Year Built	Car / Road Number	General Description	Current FMV Per Unit
60	1	1960	APEX 918	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
60	1	1960	APEX 919	Flatcar, Bulkhead, 48 Feet, 100 Tons, F311, FMS	
	104			Totals for Rail Cars	
60	1	1973	BS 218	EMD SW1001, Four Axle, 1000 Horsepower	
60	1	1972	BS 226	EMD SW1001, Four Axle, 1000 Horsepower	
60	1	1976	BS 603	EMD SW1001, Four Axle, 1000 Horsepower	
60	1	1973	BS704	EMD GP38-2, Four Axle, 2000 Horsepower	
60	1	1972	URR 3	EMD SW1500, Four Axle, 1500 Horsepower	
60	1	1974	URR 12	EMD MP15, Four Axle, 1500 Horsepower	
60	1	1973	URR 50	EMD SD38-2, Six Axle, 2000 Horsepower	
60	1	1973	URR 51	EMD SD38-2, Six Axle, 2000 Horsepower	
60	1	1973	URR 52	EMD SD38-2, Six Axle, 2000 Horsepower	
	9			Totals for Locomotives	
				SCHEDULE TOTAL	\$0.00